
Introduced by Senator Hayden

February 10, 1998

An act to add Section 790.15 to the Insurance Code, relating to insurance practices.

LEGISLATIVE COUNSEL'S DIGEST

SB 1530, as introduced, Hayden. Insurance practices: suspension for nonpayment of claims.

Under existing law, it is an unfair claims practice for an insurer to knowingly or with frequency fail to attempt in good faith to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear. Existing law provides for civil penalties and administrative sanctions for violations.

This bill would provide that if an insurer or any affiliate of an insurer has failed to pay any valid claim from Holocaust survivors, as defined, the certificate of authority of the insurer shall be suspended until the insurer, or its affiliates, pays the claim or claims.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 790.15 is added to the Insurance
2 Code, to read:
3 790.15. (a) If an insurer or any affiliate of an insurer
4 has failed to pay any valid claim from Holocaust survivors,
5 the certificate of authority of the insurer shall be

1 suspended until the insurer, or its affiliates, pays the claim
2 or claims.

3 (b) As used in this section:

4 (1) “Holocaust survivor” means any person who is the
5 beneficiary of an insurance policy, if the insurance policy
6 insured a person’s life, property, or other interest, and the
7 insured person was killed, died, was displaced, or was
8 otherwise a victim of German persecution of Jewish and
9 other peoples preceding and during World War II.

10 (2) “Beneficiary” means any person entitled to
11 recover under any policy of insurance, including any
12 named beneficiary, any heir of a named beneficiary, and
13 any other person entitled to recover under the policy.

14 (c) An action to suspend a certificate of authority
15 under this section shall be conducted in accordance with
16 the Administrative Procedure Act (Chapter 5
17 (commencing with Section 11500) of Part 1 of Division 3
18 of Title 2 of the Government Code).

